JUNE 22, 1964

THAILAND'S DEVELOPING MARKET SYSTEM

THE WORLD SPICE TRADE

JAPAN AS A MARKET FOR U.S. PASTURE SEEDS

THE UNIVERSITY OF MICHIGAN
1964
PERIODICAL READING ROOM

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

JUNE 22, 1964

VOL II • NUMBER 25

U.S. spice importer inspects stick cinnamon from Batavia. This photo as well as those on pages 6-7 were supplied by McCormick and Co., Baltimore.

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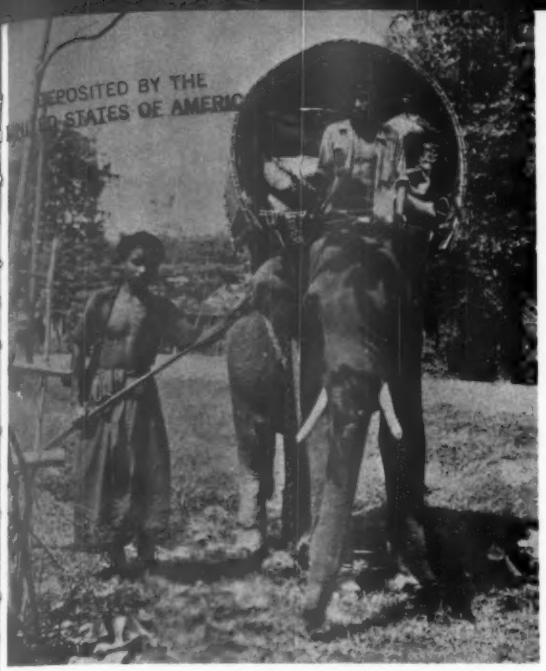
Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C. 20250. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $7.00, domestic, $9.25 foreign; single copies are 20 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D. C. 20401.



Elephant carrying small load of rice

THAILAND: Case study of a developing market system

By S. H. WORK
U.S. Agricultural Attaché
Bangkok, Thailand

A major stumbling block in the effort of a less developed country to improve its level of living is often the inadequacy of its farm marketing structure. Marketing difficulties —including uneven quality of products, lack of storage space, and poor road and rail facilities—hold down the farmer's income; they also hold down the volume and value of the agricultural exports on which most of the less developed nations largely depend for their international exchange earnings.

A case in point is Thailand, for which rice, rubber, corn, and kenaf together supply about two-thirds of the value of exports. Thailand has a bountiful agriculture and has long been the world's second largest exporter of rice. Within the past decade it has become the fifth largest exporter of corn and competes vigorously with the United States for the Japanese market. But the Thais have found that export sales of agricultural products often hinge on whether enough supplies of marketable grade can reach the port in time to take advantage of an export opportunity.

Thus, in its development program, the Thai Government is increasingly emphasizing the improvement of the farm marketing structure.

Grading and quality

For export crops like kenaf and corn, the government is beginning to establish grade standards and to enforce them strictly. For the most part, however, the financial benefit of this procedure—in the form of higher prices—has not yet reached the farmer. His returns are affected by everything that affects the marketability of his crop—the soil he grows it in, the production practices he uses, the way he processes and stores it, the way he transports it to market.

The grade and price of kenaf, for instance, are directly related to the cleanliness of the retting water used. Kenaf retted in roadside ditches because the farmer has no retting facilities will absorb soil minerals; the resulting fiber will not be bright and clean.

Corn plants grown in a depleted soil and ravaged by insects will bear small deformed ears. And corn harvested during the late summer rainy season may contain up to 20 percent moisture—a real problem to wet-season producers of corn, for export standards permit only a 15-percent moisture maximum during this time. How can the farmer store his corn crop without spoilage unless he can get it dry and keep it dry? Yet most farmers in Thailand have only the sun for drying—a facility not often available during the rainy season.

Because Thai farms average only about 10 acres in size, an individual farmer may have only from 20 to 30 bushels of corn for sale, though a few growers may produce 3,000 or more bushels. Thus, traders have historically made use of up-country collection centers until enough volume accumulates to make transportation economical. Here is where cleaning, drying, and grading begin. Here is where they must begin, for the product has now arrived in commercial trade channels. This buyer knows central market prices for certain grades, types, and kinds of produce. On the small volumes he receives from individual farmers, he must pay a lower price, to cover what it will cost him to get the product into marketable condition.

For centuries, the river was the only year-round transportation route to Thailand's city markets and ports. In more recent years, however, railroads and feeder roads too have given those fortunate farmers living along them improved access to markets—or to collecting centers—where better prices can be received for their produce. When roads can be used year-round, transportation costs can be cut by as much as 20 percent.

Much produce still moves into up-country centers on the farmer's head or shoulder, by bicycle and by farm cart, in baskets and bags, or in bulk by truck. However it travels, the farmer is beginning to find out that if he takes it himself instead of selling it to a traveling buyer, he gets more money. He is also finding that handling larger volumes reduces freight costs.

The road and rail system ranks high in Thailand's developmental program. This includes not only a major

Still a common means of transport for farm products is the canal boat, above. Farm storage of rice (right) often depends on the capacity of the hand-woven baskets.

trunk road into the northeast, but also various feeder roads. One basic reason for the rapid increase in Thailand's corn production and exports has been the opening up of more roads to link markets with producing areas.

In 1963, the Bangkok Bank reports, more than 10 highways were improved, bringing the total length of highways close to 6,000 miles; and several other highways are scheduled for completion in 1964. The State Railways have bought 40 new diesel locomotives. Already, outlays on roads and on improved rail equipment have greatly improved transportation and lessened the farmers' traditional dependence on the river as a roadway.

Storage a major headache

But Thailand's farm marketing system cannot really be efficient until the storage problem is solved. Storage facilities on many farms are inadequate, forcing the farmer to sell his surplus immediately. Historically, the great bulk of the produce has gone to market as soon as harvested, bringing a period of very low price. Fortunate indeed is the farmer with the financial ability and the storage facilities to hold his crop for a later date when prices are better. Most have to move their crops to market at once, not only for lack of storage space but to satisfy debts, obtain cash for living expenses, make purchases for farm needs, and the like. This lack of storage on farms is eventually reflected in rapid fluctuations of export prices.

Take rice for an example. A ship may be in port to be loaded, and an exporter may have a sales contract for as much as 10,000 metric tons to fill. No single exporter, however, has this much rice on hand at the Bangkok terminus, where except for one company with about 3,000 tons of silo storage for paddy, all milled rice is bagged or bulked in flat storage. Thus the volume readily available is limited by storage capacity.

The rush to obtain added volume drives up the price in the countryside. But unless the farmer has paddy in store (and most farmers can store only small amounts), he may not benefit from the higher price, for the first demand is made on the up-country millers. No one of these has vast stores either.

Small tonnages for export are no particular problem, for they can be handled out of existing stocks or readily obtained on short notice. It is the larger tonnages—over 2,500 tons—that drive up the export market price and that have an effect felt all the way back to up-country mills. Beyond that, the individual farmer fortunate enough to have paddy to sell will feel the effect too, for the mills will pay him more.

This price fluctuation problem is not the highest on the priority list, but the Thai Government realizes the need of additional storage to stabilize farm prices. The Public Warehouse Organization, though it has limited up-country facilities, does guarantee an offseason corn price of around 85 cents per bushel.

Farm cooperation and farm credit

The Thai farmer, selling his produce in relatively small lots, is at a disadvantage. Where the government has established land settlements, farmers have the possibility of pooling production and doing some of the preliminary things essential in getting better prices. And through transportation in volume, costs can be cut.

The individual farmer, given his present income, cannot buy even those small tools such as cleaners, shellers, and the like, that would make for better quality in what he has to sell. However, working together in community or village centers, farmers could purchase these tools. Meanwhile, the single farmer's produce enters trade channels "as is," and along the line the commodity is made ready for world trade. It is the farmer who in the end bears the cost of these preparations in the form of the lower prices he receives.

The Thai Government is interested in this movement, but much still remains to be done.

Farm credit aids marketing

Pooling of produce as in the farm settlements is not enough to ensure the best job of marketing. The small Thai farmer frequently lacks the funds he needs for efficiency in producing and disposing of his crop. Aware of this, the government, with the assistance of the U.S. AID mission, has established production credit cooperatives, three of which now are active, strong, and growing. No longer do farmers who are members have to pay

exorbitant interest or use their loans for expenses.

To assist in such a program, a private bank—the Bangkok Bank, Ltd.—in 1963 set up a commercial farm loan system applicable to small, medium, and large farms. Loans are for 6 months to 5 years, with the reasonable interest rate of 12 percent per annum. The bank provides technical help and agricultural bulletins for its clients. It also places them in contact with reliable dealers so that they will receive better prices for their produce; for successful marketing means successful repayment.

Education and marketing

Extension services and related activities can be important in marketing improvement, beginning with better production practices that help the farmer grow better crops. Through extension, also, decisions can be encouraged that will have an important bearing on Thailand's agricultural and trade future; for in the final analysis it is decisions by Thai farmers that will determine whether agricultural goals are met. It was these many individual decisions that brought about Thailand's recent tremendous expansion in corn output.

Yet Thai farmers cannot yet be said to be producing for the market in the modern sense of what the market wants. Improvement in all phases of marketing is essential. A frequent complaint of the less developed countries at international meetings is that in matters of price they are at the mercy of the developed countries purchasing their raw materials. Forgotten is the fact that price alone does not determine the volume of trade. While it is true that world prices for some commodities fluctuate, it is just as true that others are relatively stable. World traders soon realize where they can count on obtaining both volume and quality.

Japan—A Promising Market for U.S. Pasture and Forage Seeds

The Japanese Government's emphasis on improving native grasslands and pastures—part of its overall livestock industry development program—may result in an expanded market for quality U.S. grass, clover, and other pasture seeds.

According to Japanese import statistics, the United States in 1963 boosted its sales of grass and clover seeds to Japan to 2,806 metric tons, or about three-fourths of the 3,716-ton total. In 1962, U.S. sales were 1,903 metric tons out of total purchases of 2,329 tons. Increasing Japanese seed imports—which now supply 90 percent of requirements—could further U.S. sales.

The inability of the domestic seed industry to cheaply produce good grass and clover seed is one of the main reasons leading to Japan's expanded imports. Despite heavy subsidy payments to local seed producers, which have been made since 1952, production has not expanded rapidly. This incentive to expand local seed production has failed partly because of Japan's unsuitable climate for commercial seed production.

Traditional farming methods

Livestock production in Japan has traditionally required little in the way of improved pastures. A farm family usually keeps penned one or two dairy or beef cows and carries all forage to the animal. Dairy herds average less than 2.5 animals per farm; beef herds, composed mostly of draft animals, even less—1.2 animals per farm. Milk yield per cow is low and draft animals for beef production are customarily beer-fed and hand massaged before slaughter in order to tenderize the meat.

By improving native grassland and growing more forage crops, the Japanese Government hopes to lower the cost and expand production of livestock. It has set a target of around 1.2 million acres of improved native grassland by 1971, with an equal acreage in improved pastures on arable land for the same year. The use of forage crops (particularly legumes) in crop rotations and the sowing of clover on paddy lands following the rice harvest—thus permitting production of a forage crop between rice harvest and spring planting seasons—would add greatly to Japan's supply of animal feeds.

By 1963, an estimated 125,000 acres of native grassland had been improved, and the annual rate of reseeding is expected to expand over the next few years. The government is encouraging this progress by extending financial aid to farmers—amounting to from 40 to 70 percent of the total cost involved. There remain around 3.5 million acres of native grassland that need improving, and an estimated 1.5 million acres of forest and other lands that could—and should, according to government plan—be devoted to pastures.

Possibilities for pasture improvement exist from the northernmost island of Hokkaido to the tip of Kyushu, which is the southernmost of the four large islands in the Japanese archipelago. The most important areas are located in eastern Hokkaido, northern Honshu, and western and southern Kyushu.

Seed research underway

Just which pasture and forage seeds will be best adapted to the different climatic conditions is not yet known, but extensive research at more than 250 government and private stations is underway to determine best suited varieties. Imports of forage seeds, mainly lucerne and timothy, have been made from the United States and other countries for this experimental work.

Contract seed production between the United States and Japan represents another opportunity for the U.S. seed industry. Large-scale contracting for seed multiplication is now being carried out to find varieties of pasture seed best suited to Japan. For example, Japanese researchers have developed a variety of red clover that does very well under local climatic conditions. This seed is being shipped to the West Coast of the United States for multiplication and re-export to Japan. As experimental work progresses, other grass and clover varieties well adapted to Japan will be developed.

Altogether, the United States has steadily increased the quantity of its pasture and forage seeds to Japan. Red clover, Italian ryegrass, Ladino clover, and vetch seeds head the list, but U.S. exports of forage seeds categorized as "other pasture seeds" have also grown.

(Continued on page 16)

Above, women with small wooden mallets deftly crack nutmegs, Grenada. Below, Indonesian boy with sack of pepper ready to be shipped to the U.S.

The WORLD SPICE TRADE

—the demand is steady, supplies and prices are not

By ARTHUR G. KEVORKIAN
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Foreign Agricultural Service

Historically the spice trade is one of the oldest in the world, but over the centuries it has fluctuated greatly. This is still the situation today. While the demand for spices remains comparatively steady, trending upward only slightly as the world's population increases, the trade is subject to ups and downs as prices rise and fall and supplies shift from shortages to surpluses.

Much of the instability in the spice trade stems from the fact that most of the world's supply of the so-called "true" spices is concentrated in a few countries in the Indian Ocean area and in the West Indies. These countries are extremely vulnerable to adverse weather, their spice plantations are frequently devastated by diseases and insects, and political disturbances can and do upset spice production and marketing.

When, for example, Zanzibar changed governments several months ago, spice traders were concerned. This tropical island, just off the east coast of Africa, produces two-thirds of the cloves that enter world trade, and even though it has large surplus stocks, clove prices went up 5 cents a pound.

Last fall too, Indonesia, under its policy of economic confrontation with the newly established Malaysia, broke off all trade relations with its member States. This action will undoubtedly affect 1964 marketing patterns of pepper, as previously Singapore handled over two-thirds of Indonesia's pepper exports and over one-third of the world entrepot trade in pepper.

Hurricane hits, prices rise

As for adverse weather, in 1955 when a destructive hurricane hit the island of Grenada in the West Indies—the second largest producer of nutmeg and mace—exports in the following years were reduced to less than a fifth

Most of the cloves in world trade come from Zanzibar. Above, picking the ripe cloves, and top right, weighing the day's harvest. Right below, at a U.S. factory worker inspects cloves after they get the first cleaning.

the amount of what they had been the year before the hurricane struck, and world wholesale prices of these two commodities rose to six times their prior value.

Since the production of spices is usually by smallholders, such catastrophes seriously affect their living, for often the spice is their sole cash crop. For the spice-growing nations they deal a real blow to the economy. Should a hurricane similar to the Grenada one strike Zanzibar, the financial deprivation would be even greater since cloves account for four-fifths of this island's foreign earnings.

Only too apparent is the need for diversification of crops to relieve these unpredictable economic blows, and some of the spice countries are moving ahead with programs to provide their small farmers with alternate cash crops. But there is another side to the problem— that of the spice-importing countries. Spices are the unseen ingredients that make many foods palatable—what would soup be without pepper—and are so much a part of the eating habits of a nation that sudden shortages accompanied by soaring prices can be more disrupting than for some commodity traded in greater volume.

Of all the spice-importing countries the United States would be the hardest hit, since it is the leading spice importer, and New York is the spice center of the world. During the 5-year period 1959-63, this country imported true spices valued at approximately $32 million a year.

The biggest part of these spices were supplied by five countries. Indonesia was the source of approximately 90 percent of our imports of cassia and mace, 75 percent of the nutmeg, and 32 percent of the pepper. The Malagasy Republic supplied 75 percent of the vanilla and cloves. (This country ranks next to Zanzibar as a clove exporter.) Jamaica accounted for 75 percent of the allspice, while India supplies over 50 percent of the pepper, cinnamon, and ginger.

Newer spice-growing countries

Fortunately—not only for the United States but also for the other big spice-buying countries—spices have moved into other parts of the world. Both Brazil and Mexico, which had been satisfying their own pepper requirements for a number of years, began exporting it about 10 years ago. Nigeria has been exporting ginger for 20 years, and Australia for the last 5 years. About 5 years ago too, Mexico obtained nutmeg seed and began experimenting with it, and Guatemala became interested in vanilla, pepper, and other spices.

None of these newer growers can approach the traditional spice countries for volume but the very fact that they are producing spices is indicative of a trend; for while the older spice countries are trying to lessen the farmer's reliance on these single spice crops, the African and Latin American countries are introducing them for the same reason, only in reverse—to provide a cash crop where coffee, cocoa, or some other tropical product holds the monopoly. They can be particularly useful in countries where new land is being put into cultivation, or where land redistribution has given families their first land titles to farm property.

One of the new citrus-processing plant in São Paulo State, center of Brazil's orange production. This industry took on new vigor last year when export competition slowed.

Reduced U.S. Trade in Citrus Prompts Brazil To Begin Producing Orange Juice for Export

Brazil's long-dormant citrus-processing industry sprang to life in 1963, spurred by the marketing opportunities opened up for citrus products after the damaging freeze in the United States. That year, two companies established new plants for the production of chilled and frozen concentrated orange juice; from these $2,166,000 worth of juice was exported in 1963. In 1964, this figure could be doubled as other companies join in the expansion.

Until 1963, the processing of citrus fruit—oranges and tangerines—in Brazil was limited, with the slight production being used domestically in soft drink concentrates. Reasons for this lag were the unsuitability of most oranges for processing (except the higher priced Pera variety), the scattered production, and the stiff competition in world markets.

Though these disadvantages remain, the growth begun in 1963 continues. Two additional companies have been formed and should begin operation by August. All of the plants are located in the main orange-growing area of Saõ Paulo State; together they are expected to export $4.2 million worth of orange juice in 1964. One plant also plans to make pineapple and lemon juice.

Shipments last year by country of destination were as follows:

	Metric tons	*F.o.b. value 1,000 dol.*
West Germany	1,894	806
Canada	2,406	1,213
United States [1]	735	46
Israel	40	15
Netherlands	168	60
United Kingdom	70	26
Total	5,313	2,166

[1] Chilled juice to be reprocessed.

A side effect of this expansion is likely to be increased harvesting and export of fresh oranges and tangerines. (Formerly much of the production was left on the trees.) Brazil currently ranks as fifth largest producer and eighth largest exporter of these items, competing strongly with the United States in the European market for summer citrus.

Already attention has been given to raising output, with processors providing technical assistance to farmers under contract to sell to them. It is expected that the better cultural practices resulting from this, plus the increased use of fertilizer, will help to double yields, from 1.5 boxes per tree to 3 boxes.

— W. GARTH THORBURN
U.S. Agricultural Officer
São Paulo

Australians Prepare To Plant Even More Wheat This Year

Encouraged by the record harvest and fast disposal of their 1963-64 wheat crop, Australian farmers are getting ready to plant an even bigger acreage in 1964-65.

Reports on farmers' intentions in some of the major wheat-growing districts indicate that the area sown to wheat is likely to be upped 10 percent from the 16.4 million acres of 1963-64. However, this report may be on the low side.

Some sources believe that plantings will set a new record of over 18 million acres. (Last record was in 1930-31, when 18.2 million were sown.) These predictions are based on the recent sharp increases in sales—largely in the wheat belt—of farm machinery suitable for wheat production and in sales of fertilizer.

On the basis of average yields obtained over the past few years, a crop of 350 million to 360 million bushels is likely, provided that weather conditions during the coming season are reasonably favorable.

Australia's indicated expansion in wheat acreage follows a most successful year for that country's wheat farmers. Production amounted to a record 331 million bushels, and with the USSR and Communist China buying in large quantities, disposal of the crop has progressed rapidly. Even the relatively large quantity of rain-damaged wheat has moved fast, with China agreeing to take about 8 million bushels.

As of April 25, 1964, the Australian Wheat Board had sold 185.7 million bushels of wheat for export as wheat and 22.7 million for shipment as flour. With 20 million bushels reserved for a desirable carryover, only about 48 million bushels remained to be sold between that date and the end of the marketing year (November). Most of the remaining wheat will probably be imported by traditional purchasers—United Kingdom, Japan, India, and New Zealand.

Although small supplementary sales may be made to Mainland China or the USSR in the coming months, it appears that remaining supplies will be too small for further substantial bulk contracts with these countries.

—WILLIAM L. RODMAN
U.S. Agricultural Attaché, Canberra

North Africa's Rising Imports of U.S. Soybean Oil Spur Increased Promotion Efforts in Area

The emergent market for U.S. soybean oil in three North African countries—Morocco, Tunisia, and Algeria—has prompted the Soybean Council of America to step up heretofore limited promotion in this traditional olive oil area.

Main reason for the expanded program is the area's increasing interest in U.S. soybean and cottonseed oils. During the last marketing year, 1962-63, Morocco more than doubled its purchases of U.S. soybean and cottonseed oils—from 28.2 million to 59.7 million pounds; while Algeria increased its U.S. imports nearly sixfold to 20 million pounds. Tunisia took its first shipment of 56 million pounds of U.S. soybean oil the same year, and is expected to import an additional 22 million in 1963-64.

Although these sales were under Title I, P.L. 480, long-range prospects indicate that the area may become a dollar market for U.S. edible oils.

Promotion to date has concentrated on demonstrating to government officials and local interests that a blend of U.S. soybean oil with domestic olive oil would be acceptable to consumers, thus freeing for export much olive oil that, at current favorable prices, is an excellent source of foreign exchange. At the same time, these blends would provide area consumers—whose per capita fats consumption is now quite low—with an edible oil product less costly than pure olive oil.

The groundwork for the new program has been prepared: Council technicians have made frequent visits to area oil refineries using soybean oil to help them produce a high-quality, consumer-acceptable edible oil blend. Recent trade fairs such as those in Sousse, Tunisia, and in Morocco at Fez, Kenitra, Meknes, and Beni Mellal have promoted the blend at the consumer level.

The Soybean Council and FAS now feel the time is ripe to move into broader phases of their North African marketing program. Within the next few months, a central office will be set up in Morocco to spearhead a program of increased consumer advertising, including radio and TV. Visits of local government and industry technicians to the United States and Mediterranean countries to inspect soybean-olive oil refining, marketing, and packaging techniques is expected to strengthen industry know-how. Vegetable oil refining industries in the three North African countries will share program costs.

P.L. 480 Procedures Charted

Of particular interest to U.S. and foreign commercial traders and private banks is a report by USDA's Economic Research Service describing financial, commercial, and government transactions involved in sales programs of Titles I and IV of P.L. 480.

Procedures are charted from the first formal governmental action to the final distribution of food in the recipient country.

Copies of the report, "Financial Procedures Under P.L. 480," can be obtained from the Office of Management Services, USDA, Washington, D. C. 20250.

Accord in U.S. and Japanese Wheat Inspection Procedures Sought by the U.S. Wheat Industry

The recent visit to Japan by a U.S. grain inspection supervisor is expected to help iron out some of the differences between the two countries' inspection procedures for U.S. Hard Winter wheat.

Pointing up the need for harmonizing these variations have been Japanese reports that U.S. Hard Winter wheat in some instances has not met specifications as to protein content—a finding which USDA officials believe to be the result of different methods of grain inspection used by the two countries.

H.B. Ellis, who heads up USDA inspection at Pacific ports where U.S. wheat embarks for the Far East, went to Japan at the invitation of Wheat Associates and FAS, co-sponsors of the U.S. wheat industry's market development program in that country. Mr. Ellis is the first USDA inspector to make such a trip.

His itinerary—planned by the Japanese Food Agency—included visits to major Japanese seaports and grain laboratories where he observed on-the-spot sampling, testing techniques, and unloading of U.S. grain. How the United States could better meet Japanese wheat requirements was discussed with the Japanese Food Agency, the Grain Importers Association, and the Millers Association.

Mr. Ellis' trip comes at a time when the Japanese are considering certain changes in their present techniques for testing and inspection.

It is hoped the changes will help to eliminate differences between inspection results obtained at the time the wheat is loaded in the United States, and when it is discharged at Japanese ports.

In the United States, for example, an average sample for the grain shipment is made by taking small samples as wheat is loaded onto the ship. Though the composite meets protein specifications, the Japanese take samples after the wheat has been unloaded onto lighters (small boats), with the result that protein content may vary from lighter to lighter.

When protein content falls below Food Agency specifications, Japanese importers may be penalized.

Other important differences in the two systems relate to the accuracy of testing equipment and wheat classification terminology, such as what is meant by "damaged kernels."

Hard Winter wheat—gaining wide acceptance in Japan—accounted for over half the record 1.7 million metric tons of U.S. wheat sold in the Japanese fiscal year ending March 31.

Dr. Alessandro Camuri, Italian Cotton Committee executive director, pointing in photo above left, checks wrapping of promotion material. At right, trucks are loaded.

Italy's Cotton Weeks—A Problem in Logistics

The 1964 Cotton-Weeks campaign now underway (May-June) in 23 Italian cities is a major problem in logistics.

Nerve center for the intensive cotton promotion program is the Italian Cotton Committee, headquartered at Milan. Here plans are shaped and executed for the nationwide television advertising campaign, publicity efforts, before-and-after market research surveys, and for thousands of sales pieces.

These point-of-sales materials—posters, counter cards, booklets on window decoration, and so on—are carefully designed to enable retailers to do a more effective job of selling cotton goods. Boxed according to each retailer's specifications, the material goes out by truck on a rigid schedule. This year there were more than 400,000 items, weighing about 10 tons, and filling six trucks.

The Committee acts as cooperator in the Cotton Council International-FAS market development program in Italy, which in 1962-63 imported some 215,000 bales of U.S. cotton.

U.S. Commodities Shown at Luxembourg and Palermo

Earlier this month, a number of U.S. commodities were highlighted in two European areas which though small in size have fairs that are focal points for consumers and importers. One was a first U.S. appearance at Luxembourg (May 28-June 7), the other at Palermo (May 23-June 7).

At Luxembourg, Prince Jean, heir to the throne, below left center, examined barbecued U.S. poultry with an interest duplicated by the quarter of a million visitors who followed. Other American foods tasted at the Fair were instant nonfat dry milk, foods fried in soya oil, cakes made from prepared mixes, rice dishes, and orange juice. U.S. feed grains were demonstrated.

At Palermo, a number of the same foods and feeds were exhibited, along with California dried fruits. The Fair, honoring North African countries, is one of the most important in the area.

Luxembourg

Palermo, Sicily

Eastern Europe Resumes Imports of U.S. Cotton

U.S. cotton is now moving to Eastern Europe, other than Poland, for the first time since 1939. Export licenses issued by the Commerce Department to date in 1963-64 cover over $8.5 million worth.

Breakdown by country is given in the following table:

	Dollars
Bulgaria	$4,844,870
Hungary	2,525,193
Rumania	875,630
USSR	314,435
East Germany	127,465

Actual exports to these countries through April totaled 26,000 bales.

Mexico Transships Less Cotton

Transshipments of Mexican cotton through U.S. ports during the first 5 months (August-December) of the current season totaled 202,000 bales (480 lb. net). This was 47 percent below the 384,000 bales shipped during the previous season.

Transshipments in December were 49,000 bales, compared with 31,000 in the previous month and 87,000 in December 1962.

Quantities shipped to major destinations during August-December 1963, with comparable 1962 figures in parentheses, were Italy 47,000 bales (74,000), France 31,000 (84,000), Czechoslovakia 27,000 (11,000), West Germany 24,000 (59,000), Chile 12,000 (5,000), United Kingdom 10,000 (25,000), and Australia 8,000 (15,000).

U.S. ports through which most Mexican transshipments moved during the period under review were Brownsville 189,000 bales, Houston and Los Angeles 5,000 each, Corpus Christi and San Diego 2,000 each.

Beef-Short Costa Rica May Cut Shipments to the U.S.

Indications are that Costa Rica's shipments of beef to the United States will decline this year, owing to that country's current shortage of beef for domestic consumption.

Main cause of the shortage is drought. Because of its extremely dry weather this spring, Costa Rica has had a greater than usual scarcity of pasture, resulting in many of its cattle being too thin for slaughter. However, this coming summer's rainy season, if normal, should provide some relief.

Also contributing to the shortage were the larger shipments of beef to the United States in 1963. U.S. imports of beef from Costa Rica last year totaled 15.2 million pounds, making that country the ninth largest supplier. U.S. purchases from Costa Rica had reached a peak of 15.3 million pounds in 1960 but had declined to 8.7 million and 8.1 million, respectively, in 1961 and 1962.

Australian Meat Shipments to the United States

Eight ships left Australia during May with 28,141,120 pounds of beef, 3,510,080 pounds of mutton, and 20,160 pounds of variety meats for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Western ports			*Pounds*
Kristin Bakke	Portland	June 29	Beef	33,600
May 5	Los Angeles	July 7	Beef	161,280
	San Francisco	11	Beef	217,280
Cap Delgado	Seattle	May 31	Beef	136,640
May 8	Portland	June 3	Beef	67,200
	San Francisco	8	Beef	313,600
			Mutton	2,240
	Los Angeles	11	Beef	351,680
	Eastern and Gulf ports			
Pioneer Glen	Charleston	11	Beef	31,360
May 5			Mutton	100,800
	Boston	15	Beef	20,160
	New York	17	Beef	425,600
			Mutton	31,360
	Philadelphia	20	Beef	85,120
	Baltimore	22	Beef	235,200
Lake Ontario	Norfolk	([2])	Beef	17,920
May 12	Detroit	([2])	Beef	392,000
			Mutton	33,600
	New Orleans	June 6	Beef	1,426,880
			Mutton	481,600
	Tampa	8	Beef	1,144,640
			Mutton	360,640
	Philadelphia	13	Beef	777,280
			Mutton	168,000
	New York	16	Beef	5,037,760
			Mutton	840,000
	Boston	21	Beef	795,200
Cap Norte	Charleston	8	Beef	656,320
May 15			Mutton	369,600
	Boston	13	Beef	801,920
			Mutton	33,600
	Norfolk	18	Beef	456,960
			Mutton	96,320
	Philadelphia	20	Beef	557,760
			Mutton	273,280
	New York	22	Beef	4,549,440
			Mutton	439,040
Montreal Star	New Orleans	7	Beef	515,200
May 16	Charleston	11	Beef	611,520
			Mutton	100,800
	Norfolk	12	Beef	721,280
	Philadelphia	14	Beef	1,164,800
			Mutton	56,000
			Var. meats	20,160
	New York	17	Beef	5,190,080
			Mutton	123,200
	Boston	20	Beef	1,043,840
Pioneer Star	Charleston	18	Beef	67,200
May 19	Boston	22	Beef	33,600
	New York	24	Beef	67,200
	Baltimore	28	Beef	33,600
American Star [3]	Houston	May 24	Beef	44,800
May 2	New York	June 7	Beef	521,920

[1] Cities listed indicate location of purchaser and usually the port of arrival, but meat may be diverted to other areas for sale. [2] To be transshipped. [3] In addition to amounts reported in *Foreign Agriculture*, June 8, 1964.

U.S. Rice Exports Still Rising

The United States exported more than a million metric tons of rice (milled basis) in the first 9 months (August-April) of the 1963-64 marketing year. This is over 200,000 more than in the same period of 1962-63.

April exports, at a high of 181,300 tons, were 42,100 above those of April 1963. There were increases in shipments to all world areas; principal volumes were 37,900 tons to Japan, 16,600 to Peru, and 6,300 to Iraq against virtually no rice to those countries in April 1963.

Exports to Europe continued a rising trend. Over 24,000 tons in April brought the August-April total to 188,300

tons, an increase of 94 percent over the same months of 1962-63. Increased shipments to the USSR, the Netherlands, the United Kingdom, Belgium-Luxembourg, and Sweden more than offset a marked decline in exports to West Germany.

August-April exports to South America were more than four times larger than in the same period of 1962-63, and shipments to North America increased by 18 percent. The principal increase was in the amount to Peru. Larger exports also went to Canada, the Dominican Republic, Nicaragua, and Jamaica.

Exports to Asia of 93,900 tons in April brought the August-April total for that area to 577,800 tons. Principal destinations were India, with 353,800 tons; Japan, 66,800; Indonesia, 61,600; Saudi Arabia, 38,000; and Malaysia, 19,100.

August-April exports to Africa increased 31 percent over the first 9 months of 1962-63. At 135,500 tons, the total was 32,100 above that for August-April 1962-63. Major increases were in shipments to West Africa, which total 42,100 tons compared with 16,700 in the same months a year earlier. More U.S. rice was also shipped to the Republic of South Africa, Liberia, and the Republic of Congo.

A table and detailed analysis will be published in the *World Agricultural Production and Trade:—Statistical Report* for June 1964.

U.S. EXPORTS OF MILLED [1] RICE

Destination	August-April		April	
	1962-63	1963-64	1963	1964
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
North America	88.9	105.7	17.0	14.0
South America	9.8	42.4	1.5	18.2
Europe	97.1	188.3	20.8	24.5
Asia	577.8	623.0	83.3	93.9
Oceania	5.3	7.1	.2	1.6
Africa	103.4	135.5	16.4	29.1
World total	882.3	1,102.0	139.2	181.3

[1] Includes small quantities of rough rice in milled equivalent. Bureau of the Census.

West German Honey Output Recovering

West Germany's 1962-63 honey output at 10,500 short tons, was 27 percent above the preceding season's production. The 1963-64 output is forecast at 11,500 short tons, but is still below the 1957-58 through 1961-62 average of 14,000 short tons.

Imports of honey during 1963, at 49,500 short tons, were down 4,000 from the previous year; however, their value was up, to US$245 million from US$224 million. That year, the United States gained third place as a supplier of honey to the German market, providing 5,628 short tons valued at $30 million.

Canadian Honey Stocks Up

Stocks of honey held by packers and wholesalers in Canada at the end of March this year reportedly amounted to 12,965,538 pounds—an increase of 43.3 percent from those held a year earlier. Of this year's total, 3,140,039 pounds were packed in containers of less than 25 pounds. (Canada produces about 30 million pounds of honey per year.)

Mexico Exports Less Cordage and Brush Fibers

Mexican exports of henequen, farm twines, and cordage fell to 29,167 metric tons in January-March 1964 from 38,551 in the comparable period of 1963. Exports of istles declined to 1,683 tons from 2,503, and those of broomroot fiber, to 331 from 380. Exports during March 1964 included 21 percent of the January-March total of henequen and products, 42 percent of the istles, and 49 percent of the broomroot.

MEXICAN EXPORTS OF FIBERS

Commodity	March	January-March	
	1964	1963	1964
	Metric tons	*Metric tons*	*Metric tons*
Henequen:			
Fiber	994.1	9,648	4,165
Waste	538.5	1,028	4,252
Binder and baler twine	3,047.1	22,602	16,781
Cordage	1,400.4	5,273	3,969
Total	5,980.1	38,551	29,167
Istle ("ixtle"):			
Palma	15.1	19	15
Prepared	684.9	2,484	1,668
Total	700.0	2,503	1,683
Broomroot fiber	162.3	380	331

Dirección General de Estadística, Ministry of Industry and Commerce.

Sweden's Dairy Situation

Milk production in Sweden in the first quarter of 1964 was maintained at the same level as a year earlier, owing to a relatively large feed crop in 1963 and higher milk prices to producers. Production of all dairy products, except butter, increased in this period.

Output of nonfat dry milk, for which there was a heavy export demand, was up more than 60 percent, to 10 million pounds. At that time, in the same quarter exports rose from 92,000 pounds to 5 million, of which 3 million went to the United Kingdom and slightly more than 1 million to Denmark.

Production of cheese increased 6 percent to 29 million pounds. Exports, largely hard types, were 4 million pounds, compared with 3 million last year. West Germany took 1 million pounds of this, and Italy and East Germany each took slightly less than 1 million. Shipments of 164,000 pounds were made to the United States.

Butter production was down 1 million pounds to 36 million pounds, of which 4 million were available for export. West Germany took 2 million pounds and Switzerland, 1 million. No sales were made to Italy, which a year ago took over 1 million pounds.

Tung Oil Imports Increase

Imports of tung oil into major importing countries in 1963 turned upward for the first time since 1958. At about 45,700 short tons, they were up 6 percent from the 1962 level of 43,110 tons but still less than two-thirds of the annual average for the 1955-59 period.

Major changes in 1963 reflecting the net increase were larger net imports by the United States and increased gross imports by the USSR and France. These gains were partly offset by reduced takings by Japan and West Germany.

The United States in 1963 registered the largest single gain in net imports, reflecting reduced exports largely to

Japan, the Netherlands, and the United Kingdom (*Foreign Agriculture*, March 2, 1964).

The major source of imports for the countries specified in 1963 was Mainland China which supplied 19,727 tons, or 46 percent of the total, compared with 17,727 tons or 43 percent in 1962 (*Foreign Agriculture*, June 15, 1964).

Argentina, the second major source, supplied about 38 percent of the total imports in 1963 (according to Argentine export data) or somewhat less than in 1962 (*Foreign Agriculture*, May 18, 1964).

IMPORTS OF TUNG OIL INTO SPECIFIED COUNTRIES

Destination	Average 1955-59	1960	1961	1962[1]	1963[1]
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
North America:					
Canada	2,106	1,573	1,451	1,310	1,108
United States[2]	10,635	754	3,539	6,303	9,404
Mexico	181	188	94	181	—
Cuba	112	[3]39	—	—	—
Total	13,034	2,554	5,084	7,794	10,512
Western Europe:					
Austria	338	377	340	244	202
Belgium	507	631	386	382	742
Denmark	647	546	388	423	385
France	2,582	2,592	2,763	1,731	2,418
Germany, West	5,228	6,930	5,347	4,004	3,150
Italy	876	1,583	1,625	1,758	1,620
Netherlands	1,071	1,333	1,134	990	998
Norway	848	612	584	129	90
Sweden	1,192	1,135	1,152	962	931
United Kingdom	10,816	11,172	8,000	5,987	6,054
Total	24,105	26,848	21,719	16,610	16,590
Eastern Europe:					
Poland	2,512	2,901	2,435	2,471	2,425
USSR	18,280	11,680	4,080	7,390	8,270
Asia and Oceania:					
Hong Kong	7,385	4,020	2,837	2,064	2,660
India	245	619	441	423	270
Japan	4,812	6,187	6,265	4,598	3,321
Malaysia	151	191	212	278	198
Australia[4]	1,910	1,485	1,767	1,262	1,258
New Zealand	302	259	272	[3]220	[3]220
Total	14,805	12,761	11,794	8,845	7,927
Grand total	72,736	56,744	45,112	43,110	45,724

[1] Preliminary. [2] Net imports. [3] U.S. exports. [4] Year ending June 30. [5] Estimated.

Compiled from official and other sources.

U.S. Exports of Soybeans, Edible Oils, Cakes and Meals

U.S. *soybean* exports in April were 17.6 million bushels —nearly 30 percent above those in March. Cumulative soybean exports in the first 7 months of the 1963-64 marketing year were over 6 percent above those in the same 1962-63 period. Major markets in April were Canada, the Netherlands, West Germany, and Japan.

April exports of *edible oils* (soybean and cottonseed) were up 13 percent from the previous month. However, cumulative shipments in the October-April period were 6 percent below the comparable period in 1962-63. This reflected a 19-percent decline in soybean oil exports, partly offsetting a substantial rise in cottonseed oil shipments. (Estimates of foreign donations shipments remain unavailable since December 1963).

Soybean oil exports in April totaled 126.0 million pounds —markedly above those in March. Of this amount Poland, Turkey, Yugoslavia took a combined total of 22.0 million, West Germany 21.0 million, and Tunisia 8.4 million.

Cottonseed oil exports in April, at 38.4 million pounds, dropped sharply from those in March. Major destinations in April were Poland (with 12.1 million lb.), the Netherlands, and West Germany.

Cake and meal exports in April gained one-fifth from the previous month; yet cumulative exports through April were one-fifth below those in the same 7 months of 1962-63. Soybean meal exports, accounting for virtually all of the U.S. cake and meal shipments in April, moved largely to France, Canada, Yugoslavia, and Belgium.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, OILSEED CAKES AND MEALS

Item and unit	April		October-April	
	1963[1]	1964[1]	1962-63[1]	1963-64[1]
SOYBEANS				
Japan ---Mil. bushels	4.1	2.1	32.2	30.5
Germany, West ---do	2.3	2.5	17.5	19.6
Netherlands ---do	1.2	2.6	15.4	16.7
Canada ---do	1.4	4.1	11.5	15.3
Denmark ---do	1.0	1.1	8.1	8.6
Italy ---do	.4	.9	8.6	7.6
Others ---do	3.7	4.3	26.7	29.1
Total ---do	14.1	17.6	120.0	127.4
Oil equiv. ---Mil. lb	155.1	193.3	1,317.5	1,398.3
Meal equiv. -1,000 tons	331.9	413.7	2,819.7	2,992.7
EDIBLE OILS				
Soybean:				
Commercial: [2]				
Turkey--Mil. pounds	26.5	22.7	26.5	74.5
Poland ---do	----	23.0	----	58.1
Netherlands ---do	----	7.3	.1	35.0
Hong Kong ---do	1.7	2.3	21.0	32.1
Iran ---do	3.5	5.3	25.0	29.0
Colombia ---do	----	----	----	27.6
Others ---do	147.7	65.4	537.9	282.7
Total ---do	179.4	126.0	610.5	539.0
Foreign donations [3] do	16.3	(4)	55.0	[5].1
Total soybean-do	195.7	126.0	665.5	539.1
Cottonseed:				
Commercial: [2]				
Germany, West Mil. pounds	----	6.6	----	69.5
Netherlands ---do	----	8.8	----	69.0
Turkey ---do	13.9	----	13.8	33.1
Egypt ---do	----	----	28.1	28.4
Canada ---do	3.8	2.1	17.7	23.1
Others ---do	12.1	20.9	154.0	90.6
Total ---do	29.8	38.4	213.6	313.7
Foreign donations [3] do	5.3	(4)	26.3	(5) (5)
Total cottonseed ---do	35.1	38.4	239.9	313.7
Total oils ---do	230.8	164.4	905.4	852.8
CAKES AND MEALS				
Soybean:				
France ---1,000 tons	8.3	19.1	132.9	144.3
Canada ---do	17.6	16.4	150.5	105.6
Spain ---do	59.0	4.2	136.6	93.6
Yugoslavia ---do	14.3	12.1	25.2	65.5
Netherlands ---do	9.2	8.8	140.3	60.9
Belgium ---do	5.8	11.6	64.8	54.6
Italy ---do	----	6.4	25.0	47.6
Denmark ---do	1.1	2.1	60.8	44.4
Others ---do	10.9	19.1	164.0	143.6
Total ---do	126.2	99.8	900.1	760.1
Cottonseed ---do	7.4	.2	68.9	28.9
Linseed ---do	.5	.1	34.3	16.0
Total cakes and meals [7] -do	134.1	100.1	1,011.4	805.1

[1] Preliminary. [2] Includes Title I, II, and IV of P.L. 480, except soybean and cottonseed oils contained in shortening exported under Title II. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. [3] Title III, P.L. 480. [4] If any data, not available. [5] Incomplete. [6] Less than 50,000 pounds. [7] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records and USDA estimates.

Note: Countries indicated are ranked according to quantities taken in the cumulative period of the current marketing year. Therefore, monthly data indicated in parentheses, which are of lesser importance in the cumulative period, are omitted.

Suez Canal Shipments Continue To Decline in April

Northbound movements of oil-bearing materials through the Suez Canal in April were almost 10 percent less than those in March (*Foreign Agriculture*, May 25) and almost one-fifth less than in April 1963.

Shipments during the first 7 months of the current U.S. marketing year were 4 percent below those of the same period last year, reflecting continued sharp declines in tonnages of cottonseed, peanuts, soybeans, and "other" products. Shipments of copra, castorbeans, and palm kernels far exceeded those of last year.

NORTHBOUND SHIPMENTS OF OIL-BEARING MATERIALS THROUGH THE SUEZ CANAL

Item	April		October-April	
	1963	1964	1962-63	1963-64
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Soybeans [1]	15,406	2,711	51,886	43,620
Copra	83,503	71,474	442,228	517,245
Peanuts	18,779	11,267	181,578	125,569
Cottonseed	15,196	12,835	142,847	87,013
Flaxseed [2]	1,965	3,081	22,724	24,223
Castorbeans	3,666	6,337	32,934	50,184
Palm kernels	1,672	2,423	17,054	30,868
Others	10,422	13,307	94,806	72,244
Total	150,609	123,435	986,057	950,948

[1] 1 metric ton of soybeans equals 36.743333 bu. [2] 1 metric ton of flaxseed equals 39.367857 bu.

Suez Canal Authority, Cairo, Egypt.

Soybean shipments have declined every month since the 661,000-bushel movement of January, totaling only 100,000 bushels in April. This was less than one-half the shipments in March and less than one-fifth the volume shipped in April 1963. The October-April cumulative total was 1.6 million bushels compared with 1.9 million in the first 7 months of 1962-63.

NORTHBOUND SHIPMENTS OF SOYBEANS THROUGH THE SUEZ CANAL

Month and quarter	Year beginning October 1				
	1959	1960	1961	1962	1963
	1,000 bu.	*1,000 bu.*	*1,000 bu.*	*1,000 bu.*	*1,000 bu.*
April	4,556	441	231	566	100
May	2,866	184	6	--	--
June	1,213	588	2	7	--
October-December	8,598	919	919	12	19
January-March	13,999	6,062	4,082	1,328	1,484
April-June	8,635	1,213	239	573	--
July-September	2,756	2,756	327	1,585	--
October-September	33,988	10,950	5,567	3,498	--

Totals computed from unrounded numbers.

Suez Canal Authority, Cairo, Egypt.

U.S. Tobacco Exports Decline in April

U.S. exports of unmanufactured tobacco in April 1964, at 29.7 million pounds, were 10.5 percent below the 33.1 million shipped out in April 1963. Export value was $21.1 million, compared with $26.0 million last year.

There were decreases in exports of most major kinds of tobacco. Flue-cured exports, at 18.8 million pounds, were 25.6 percent under the 25.3 million of April 1963, and burley shipments were 14.6 percent lower. On the other hand, exports of dark-fired Kentucky-Tennessee tobacco, at 3.5 million pounds, were nearly four times as large as those in April a year ago.

For the first 4 months of calendar 1964, exports totaled 126.4 million pounds—up 18.6 percent from those of January-April a year ago. In the first 10 months of fiscal 1964, they totaled 457 million pounds, compared with 405 million in the same period of fiscal 1963.

U.S. exports of tobacco products in April 1964 were valued at $9.4 million, compared with $10.5 million in April 1963. Exports of cigars and cheroots, cigarettes, and smoking tobacco in bulk were below those of April 1963; exports of chewing tobacco and snuff and packaged smoking tobaccos were larger.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
(Export weight)

Kind	April		January-April		Percent change from 1963
	1963	1964	1963	1964	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	25,265	18,785	78,448	95,734	+ 22.0
Burley	4,059	3,465	13,052	10,778	— 17.4
Dark-fired Ky.-Tenn.	977	3,522	4,141	6,583	+ 59.0
Va. fire-cured [1]	323	164	2,530	1,807	— 28.6
Maryland	1,170	698	2,458	3,254	+ 32.4
Green River	44	103	221	235	+ 6.3
One Sucker	26	24	69	48	— 30.4
Black Fat, etc.	274	196	1,347	826	— 38.7
Cigar wrapper	426	642	1,520	1,841	+ 21.1
Cigar binder	94	43	425	927	+118.1
Cigar filler	61	28	68	75	+ 10.3
Other	416	1,997	2,294	4,296	+ 87.3
Total	33,135	29,667	106,573	126,404	+ 18.6
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	26.0	21.1	83.5	97.7	+ 17.0

[1] Includes sun-cured.

Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Product	April		January-April		Percent change from 1963
	1963	1964	1963	1964	
Cigars and cheroots					*Percent*
1,000 pieces	2,973	2,955	8,857	13,454	+ 51.9
Cigarettes					
Million pieces	2,044	1,862	6,816	7,514	+ 10.2
Chewing and snuff					
1,000 pounds	31	34	187	124	— 33.7
Smoking tobacco in pkgs.					
1,000 pounds	49	114	225	452	+100.9
Smoking tobacco in bulk					
1,000 pounds	1,286	531	3,296	2,432	— 26.2
Total declared value					
Million dollars	10.5	9.4	34.2	37.9	+ 10.8

Bureau of the Census.

Brazil's Tobacco Exports Increase

Brazil exported 97.7 million pounds of unmanufactured tobacco in 1963—6 percent above the 92.1 million shipped in 1962. Larger exports last year to West Germany, the USSR, France, Belgium-Luxembourg, Denmark, the United States, Morocco, and East Germany more than offset drops in trade with the Netherlands, Spain, Uruguay, and Algeria.

West Germany took 22.4 million pounds of Brazilian leaf in 1963—a little more than in 1962. The Netherlands purchased 14.5 million; the USSR, 13.2 million (all low-grade flue-cured); and Spain, 11.2 million. The United States bought 4.8 million pounds, compared with 3 million in 1962 and 900,000 in 1961.

Average export prices per pound of leaf tobacco in 1963 to major destinations (in terms of U.S. equivalents) were as follows: West Germany 21.6 cents, the Netherlands 26.0, the USSR (all flue-cured) 20.7, Spain 22.1, and France 24.1. Shipments to the United States

averaged 43.1 cents in value. The average export price per pound of all leaf shipments in 1963 was equivalent to 24.9 U.S. cents, compared with 26.1 in 1962.

BRAZIL'S EXPORTS OF UNMANUFACTURED TOBACCO

Destination	1961	1962	1963[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Germany, West	16,640	21,865	22,359
Netherlands	17,343	15,445	14,520
USSR	—	4,835	13,159
Spain	25,479	20,999	11,188
France	10,358	5,492	7,379
Belgium-Luxembourg	3,390	3,038	5,419
Denmark	6,114	4,879	4,904
United States	933	2,956	4,812
Morocco	2,740	2,392	3,412
Switzerland	6,202	3,023	3,134
Uruguay	5,560	3,172	2,605
Germany, East	4,717	121	1,259
Tunisia	866	626	1,077
Algeria	4,306	1,856	755
Hungary	—	—	584
Sweden	585	4	444
Czechoslovakia	567	220	—
Others	1,720	1,132	684
Total	107,520	92,055	97,694

[1] Preliminary; subject to revision.

Ontario Flue-Cured Auctions Close

Auction sales of the 1963 flue-cured tobacco crop in Ontario, Canada, were completed on May 22. They totaled 179.1 million pounds, at an average price of 46.8 Canadian cents per pound.

Sales eligible under the deficiency payment program totaled 161.7 million pounds, at an average price of 49.0 Canadian cents per pound. This was 2 cents above the support level of 47 cents. Total sales of nonsupport tobaccos (special factor and nondescript grades) amounted to 17.4 million pounds, at an average price of 26.8 cents.

A special auction sale was held on May 26 for tobacco suspected of having been treated with maleic hydrazide sucker control. Sales of this tobacco in bales marked "MH" totaled 225,000 pounds, at an average price of 19.7 Canadian cents per pound. Unofficial reports indicate about 130,000 pounds of this tobacco remains unsold and will be either returned to growers or processed by the Board. Also, the Board has reportedly processed about 500,000 pounds of unsold tobacco from the 1963 crop.

Swiss Cigarette Exports Increase

Swiss exports of cigarettes in 1963 totaled 9.3 million pounds—up 45 percent from the 6.6 million shipped out in 1962. Italy, as usual, was by far the largest foreign outlet, taking about 90 percent of the total.

Venezuelan Cigarette Output Rising

Cigarette output in Venezuela continued to rise through 1963, totaling 8.3 billion pieces that year—up 5.3 percent from the 7.8 billion produced in 1962.

Production of light-type cigarettes continued upward, and represented 94.5 percent of total output during 1963, compared with 90.3 percent in 1962 and 86.3 percent in 1961. Output of dark-type cigarettes declined for the third consecutive year from the 1960 high of 1,124 million pieces to 452 million; during 1961 it was 972 million pieces and in 1962, 759 million.

West German Cigarette Sales Up Slightly

Cigarette sales in West Germany (including West Berlin) during 1963 totaled 85.3 billion pieces—up 2.4 percent from the 83.3 billion sold in 1962. A further gain of about 2 percent is forecast for 1964.

Sales of filter-tipped cigarettes continued to rise, accounting for 78 percent of total cigarette sales last year, compared with 76 percent in 1962 and 73 percent in 1961.

Blended cigarettes (both flavored and unsweetened) continued to be the most popular type, accounting for slightly over 91 percent of total sales. Straight oriental cigarettes dropped from 4.4 percent of total sales in 1962 to 3.3 percent last year. Straight Virginia (English-type), and French-type (dark) cigarettes maintained their shares of between 3 and 4 percent each.

The three most popular brands continued to be "HB filter," "Ernte," and "Peter Stuyvesant," which together maintained their share of 52 percent of the market, or the same as in 1962. The next 12 largest brands accounted for about 35 percent of total sales.

Last year, as in 1962, about 200 brands were sold; some 12 new ones were introduced but an equal number were also withdrawn. None of these—except "Bremen," a blended brand—reportedly had any significant success.

Sales of cigars and cigarillos continued to decline through 1963 and amounted to 3,786 million pieces, compared with 3,988 million in 1962. Sales of pipe tobacco, chewing tobacco, and snuff were also down, while those of fine-cut smoking tobacco were up slightly.

Spain's 1964 Almond, Filbert Crop Above Average

Spain's 1964 almond crop is forecast at 31,000 short tons (shelled basis) which is above the 28,000- and 20,000-ton harvests of 1963 and 1962 respectively. Average 1958-62 production was 28,600 tons. Almond exports in the 1963-64 season are expected to total 20,000 tons compared with 15,000 in 1962-63. By mid-April, they had reached about 16,500 tons.

The 1964 filbert crop is expected to be about the same as the 1963 harvest of 22,000 short tons (unshelled basis). Production averaged 15,200 tons in the 5-year period 1958-62. Exports during the 1963-64 season should reach 12,000 tons, moderately above the 10,400 tons shipped in 1962-63. Through mid-April, Spain's filbert exports totaled 11,500 tons.

German Import Tender for Canned Wax Beans

West Germany has announced an import tender for canned wax beans—cuts—for the United States and Canada. Application for licenses may be submitted until the exhaustion of the undisclosed value limit but not later than December 30, 1964. The import license will be valid until December 31, 1964. The first day of customs clearance will be July 1, 1964.

Large Moroccan Almond Crop Expected

Morocco's 1964 sweet almond crop is forecast at 5,000 short tons (shelled basis) or considerably more than the 1963 harvest of 3,100-tons. In the 5-year period 1958-62 production averaged 3,800 tons.

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Good Crops Are Shifting Mexico's Grain Trade

Mexico is now harvesting what looks like a record-breaking wheat crop; given normal weather conditions, it will also harvest another large crop of corn. Possibly, therefore, it will have larger wheat exports than had been expected, and instead of being a sizable buyer of U.S. corn, it may have some corn exports of its own.

Also reaching for a record is the Mexican sorghum crop. This fact, plus the country's current corn surplus, has brought a sharp decrease in Mexico's imports of U.S. sorghums, which had been moving rapidly upward ever since 1960-61.

The 1963-64 wheat forecast has been raised to 1.9 million metric tons (69.8 million bu.), from the 1.8 million (66 million bu.) of the earlier estimate (see *Foreign Agriculture*, June 8).

CONASUPO, the Mexican Government's food supply agency, reports sales of 1963-crop wheat totaling 269,493 metric tons from December 1963 through the first quarter of 1964. Unofficial data indicate that exports through April included 179,000 tons to Mainland China and 42,000 to East Germany. Depending on the outcome of the present crop, total 1964 wheat exports might exceed the 500,000 tons previously estimated.

For corn, another good year appears to be in the making, if growing conditions are favorable. Plantings have been encouraged by higher support prices, and total area will probably be larger than last year's 16.8 million acres, which produced a record crop of 6.2 million metric tons (245 million bu.).

Mexico ordinarily buys foreign corn in quantity only when its own crop is poor; recently, in good years, it has been able to sell part of its crop on the world market. Corn stocks on January 1 were estimated at 1.3 million tons after the big 1963 crop. With the prospect of a good 1964 crop also, there is a strong likelihood of export surpluses, perhaps between 100,000 and 120,000 tons.

In 1962-63, after a bad 1962 crop, the Mexican Government temporarily suspended import limitations on corn, so as to stabilize the domestic price and supply situation. In 1963-64, however, shipments—mostly from the United States—had practically ceased by March, and they are not likely to resume during the rest of either fiscal or calendar 1964.

Sorghum too has a good year coming up. Mexico's production jumped from 228,000 tons in 1962 to at least 350,000 in 1963, and indications are that it will hit 400,000 in 1964. With plenty of corn in the bins and a big sorghum crop in view, Mexico's needs for imported sorghum are small this year. The United States—major supplier—shipped it only 8,746 tons in the first 9 months of fiscal 1964, compared with 93,960 in the same months of 1963. Mexico expects to import only minor quantities during the rest of the current year.

—HENRY HOPP
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Japenese Market for U.S. Seeds

(Continued from page 5)

To further these sales, a seed show is tentatively planned at the U.S. Trade Center in Tokyo for the fall of 1965, which will stress the quality and wide variety of U.S. grass and clover seeds available to Japan. It is hoped that active promotion of U.S. seeds will also prevent further loss of the U.S. market share, or even increase it, for even though Japan's volume of seeds from the United States increased sharply in 1963, the relative U.S. share of the Japanese market dropped from 82 percent in 1962 to 76 percent in 1963.

If the government plan to encourage pasture development continues—and there is no reason to believe otherwise—Japan will offer quite a potential and continuing market for U.S. seed producers. However, many other agricultural exporting nations are bidding for an ever-increasing share of the country's seed purchases.

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